

Waste Reduction and Recycling Demonstration Grant Program

IMPORTANT INFORMATION FOR PROSPECTIVE APPLICANTS

Wisconsin's Waste Reduction and Recycling Demonstration Grant Program, administered by the Department of Natural Resources, provides \$500,000 each year to fund projects which demonstrate innovative waste reduction and recycling activities. The program provides financial support to initiate or accelerate the implementation of new waste reduction and recycling ideas at a pilot or demonstration level that could potentially be expanded to have a major impact on reducing the amount of solid waste landfilled. The maximum grant award is \$150,000 or 50%* of the total eligible costs of the project, whichever is less. Grant recipients may request 75% of the grant amount at the inception of the project.

In addition to applications meeting the innovative criterion, the Department may select projects that address areas identified in the general announcement of request for proposals (RFP) and the specific RFP for community-wide waste reduction projects. Both RFP announcements are included with this application packet.

* 75% funding may be offered for community-wide waste reduction projects.

GENERAL GUIDELINES

Application pages 1-4 (and authorizing resolution found in the information packet, if applicable) must be filled out completely and signed on page 2 by the authorized representative. Applications must also include a narrative discussion of the project addressing each of the required components listed and explained on page 2, Section E. Applications that do not include all required information will not be considered for funding.

Pre-application Meetings

Potential applicants are encouraged to arrange meetings with DNR staff to discuss their proposals before they submit an application. Draft proposals must be submitted prior to the meetings. These meetings should be arranged at least two weeks before the deadline. To set up a meeting, contact Tom Nowakowski at 608-267-0494.

Format

Please limit the narrative portion (required components of the application, page 2, section E, 1-14) describing the waste reduction and recycling demonstration project to 25 pages. Number all pages. Staple or clip the application forms and project narrative together. Do not use binders or folders.

Deadline/Where to Submit

Applications must be postmarked on or before August 1, 2003. Submit **3 copies** of the application, including all forms and the project narrative. The Bureau of Community Financial Assistance will send a letter to each applicant acknowledging receipt of the application.

Direct questions to: Tom Nowakowski (608)267-0494

Send completed applications to: Department of Natural Resources
Bureau of Community Financial Assistance
P.O. Box 7921
Madison, WI 53707

ELIGIBILITY REQUIREMENTS

Applicant Eligibility Applicants are eligible if they:

1. Are a Wisconsin business, county, municipality, nonprofit organization or public entity. Individuals are not eligible for funding.
2. Have not previously received \$250,000 in demonstration grant funding.
3. Have the technical ability to carry out the project.
4. Have evidence of adequate financial capability to carry out and complete the project.

Project Eligibility Projects are eligible if they:

1. Are innovative*

The proposed project must demonstrate an innovative technique, process or system that reduces, reuses or recycles solid waste. An innovative project employs a concept that is unique or not generally well-known or utilized in Wisconsin.

A project that takes a practice or method used in a particular area of Wisconsin and adapts the practice or method to a new area of Wisconsin that has different characteristics may qualify as innovative. (For example, an eligible project may take a practice used in urban areas and adapt it for the first time for use in rural areas.)

A project that takes a practice or method used in one industry and adapts it for use in a different industry may also qualify as innovative. Projects that are new to an applicant's business or operation, but are not innovative in the industry in general, do not qualify as innovative.

* If projects are proposed under an RFP, this criterion does not apply.

2. Are conducted on a demonstration scale and have the potential to expand waste reduction or recycling in Wisconsin.

A demonstration project tests or pilots a new waste reduction or recycling technique, process or system and then evaluates the results to determine if it is feasible to continue, expand or replicate.

It is important that you set up clear project parameters, identify the length of your project, and establish adequate testing to evaluate your project.

3. Will reduce the amount of Wisconsin solid waste landfilled or treated.

Cost Eligibility The following table describes typical eligible costs in each budget category.

ELIGIBLE AND INELIGIBLE COSTS
for
SOLID WASTE REDUCTION AND RECYCLING DEMONSTRATION GRANTS

Two key definitions:

Allocable: A cost is allocable if it is incurred specifically for the demonstration project, or incurred for several activities but can be distributed between them in reasonable proportion to benefits received, and is clearly necessary to the project.

Incurred: A cost is incurred when the demonstration grant recipient receives the goods or service.

ELIGIBLE COSTS		INELIGIBLE COSTS
GENERAL Project costs consistent with the approved project scope, reasonable and necessary, and incurred during the grant period		GENERAL Costs outside of the project scope or incurred before or after the grant period
LABOR <u>Salaries</u> , including fringe benefits, for personnel who work directly on the demonstration project (including interim and final report writing) and maintain time records to document project work effort <u>In-kind contribution</u> of labor, charged to the project at the same rate and documented in the same way as labor costs being paid in cash		LABOR Personnel costs for which adequate records do not exist Personnel costs not directly related to project Ordinary operating expenses of local government, such as salaries and expenses of elected officials or others not directly related to the demonstration project
SUPPLIES Necessary <u>materials and supplies</u> , such as raw materials needed for a manufacturing process, materials needed for conducting testing, office supplies, gasoline and oil (but only if hourly use rates or mileage rates are not claimed), materials needed to distribute information and education related to project		SUPPLIES Supplies and materials not directly allocable to the demonstration project
EQUIPMENT <u>Capital Equipment</u> (equipment costing \$1000 or more and with an expected life of 3 years or more): Eligible on an amortized (depreciated) basis or on an hourly use rate basis <u>Non-capital Equipment</u> (equipment costing less than \$1000): May either be depreciated, funded on an hourly use rate or funded at full allocable cost <u>Rent or lease payments</u> negotiated "at arm's length" on equipment; however, payment under rent- or lease-to-own agreements on capital equipment must be treated as purchases and are therefore eligible only on an amortized (depreciated) basis <u>In-kind contribution</u> of equipment and/or facilities charged to the project at a reasonable and justifiable rate and documented in		EQUIPMENT Equipment costs not allocable to eligible demonstration project activities or for which use is not documented Interest or finance charges on equipment Loan payments (debt service) Rents and leases that are not "at arm's length" (cost for these are limited to actual costs of the owner)

ELIGIBLE COSTS		INELIGIBLE COSTS
the same way as equipment and/or facility use paid in cash		
CONSULTANT FEES Reasonable and necessary for carrying out the demonstration project		CONSULTANT FEES Consultant fees incurred outside the scope of the project or at higher rates than usually charged for comparable work
OTHER <u>Utility services</u> allocable to demonstration project <u>Testing</u> necessary to evaluate the demonstration project <u>Mileage</u> (eligible on personal vehicle only) directly allocable to the demonstration project <u>Indirect costs</u> , a/k/a "overhead" and "cost allocations", if accumulated in a separate set of accounts and equitably and systematically allocated to all the grantee's projects and activities		OTHER "Other" costs not directly allocable to carrying out the demonstration project Indirect costs that don't meet the stated eligibility requirement, but are guesstimated by the grant applicant
"Arm's length" <u>contracts</u> entered into by demonstration grant recipient to obtain services necessary to perform any of the grant-eligible activities listed above Cost of <u>Program Documentation</u> : Documenting hours worked and expenses incurred for the demonstration project including the preparation of the interim and final program reports		Contracts which create a real or apparent conflict of interest, that is, are not at "arm's length" For any contract, the portion of the cost that is not allocable to the demonstration project Costs of accounting and documentation not directly allocable to demonstration project
(No eligible counterpart)		Fines or penalties due to violation of or failure to comply with, federal, state or local laws, regulations, rules or ordinances
(No eligible counterpart)		Costs which are the basis for payment under another federal or state financial assistance program, e.g., the Recycling Grants to Responsible Units program

DOCUMENTATION OF FINANCIAL CAPABILITY

One of the major reasons proposals are not funded is because the applicant's financial capability is not sufficient to support the matching share required for the project. The following information is intended to help applicants document their ability to finance the remaining costs of the project.

If an applicant accepts a grant offer, the applicant may receive an advance payment of 75% of the total grant award. The remaining 25% of the grant will be paid only after the final report and final costs are approved. Therefore, **applicants must submit documentation of financial capability to cover their share of the eligible project costs and the unadvanced grant amount (25% of the total grant amount).**

Financial capability may include financial contributions from other project partners or participants. However, the applicant must contribute funding for 25% of the project costs. The applicant's share may be in the form of cash or in-kind contributions. In-kind contributions, based on the value of equipment, facility, or salary must be documented at verifiable competitive rates at the time of the application.

The maximum grant amount is \$150,000 or 50% (except for community-wide waste reduction projects that may receive 75%) of total project costs, whichever is less. If project costs are greater than \$300,000, the applicant must document financial capability to cover their share of eligible project costs and the unadvanced grant amount up to \$300,000, and 100% of project costs over \$300,000.

Following are examples of documentation that could serve to prove financial capability:

1. A letter from the applicant's bank (or a similar assurance), stating sufficient funds are reserved to cover the applicant's cash costs of the project.
2. Identification of in-kind resources available to cover the applicant's share of the eligible project costs plus the unadvanced grant amount. "Anticipated sales revenues" are not considered a financial resource for these purposes.
3. The applicant's financial statement for the year preceding the grant request, showing adequate resources to cover its share of the eligible project costs plus the unadvanced grant amount.

SUPPORTING DOCUMENTATION

Required letters of support: If your project involves handling a waste material, provide letters from those sources indicating their interest in supplying the material to you and specifying the quantity they can make available within a specified time frame, the cost and shipping terms. If your project involves manufacturing a product or processing a material for sale, you must provide evidence of market interest including letters from potential end users indicating their interest in the product. If the execution of your project depends upon the cooperation of entities other than the applicant, provide letters of commitment from these cooperators, specifying their role in the project and the terms under which they will perform their roles.

EVALUATION PROCEDURE

Completeness and Eligibility Screening

The department will conduct a preliminary screening of each application for the eligibility requirements and evaluate the completeness of each application. Eligible applications determined to have a thorough workplan, testing and evaluation procedures, and all other required components will be sent on to a review committee. Applicants will be notified if the department determines that an application is not eligible or complete enough for further review.

Committee Review

A department committee will review the submitted proposals based on the eligibility criteria and the solid waste benefit of the project. The overall clarity of the proposal will also be considered. The committee will recommend applications to be pursued for funding. Applicants whose projects will not be further pursued will be notified by the Department.

Follow-Up

Department staff will contact applicants to request additional information needed before making a grant award. Information requests may include clarifying or providing more detail on project tasks and budget items. Department staff may also request technical feedback from experts in a project's subject area. These experts may be from within or outside the department and will provide feedback on innovation, design specifications, evaluation procedures, appropriateness of estimated costs, solid waste management benefits, potential applicability to others and expertise of the applicant.

GRANT AWARD

The department plans to make grant offers to selected applicants by November 1, 2003. Reporting requirements (interim and final reports) for awarded projects are discussed below and on page 7. The Department also frequently arranges site visits to observe projects as they are being carried out.

It is important to understand that applications, interim reports, and final reports will be public documents. This is a demonstration program and is intended to inform others interested in the results of the project.

Interim Reports

Each grant recipient is required to submit interim reports to the department at a minimum of 6 month intervals. Details of the progress, findings, problems and other information regarding the status of the project must be included in these reports. The amount expended on the project, the amount remaining in the budget and a discussion of the ability to complete the project within budget should also be included.

Final Reports

Each grant recipient is required to submit a final report with executive summary to the department within 60 days of completing the project. The final report must provide sufficient detail so that others can use the information to implement the technology or process presented. The executive summary should provide a non-technical snapshot view of the project that may be distributed widely to the public.

The final report should include:

1. An executive summary (an example is included in this informational packet entitled "Grants-At-A-Glance", page 8).
2. A description of the project activities conducted during the grant period, including the results of all tests and evaluations.
3. A description of the technical aspects of the project.
4. A description of any changes (approved by the Department in advance) in the original proposed work plan and an explanation of why they were necessary.
5. A discussion of considerations affecting implementation of the project on a larger scale.
6. A description of the informational activities that openly share and transfer project know-how with other interested parties.
7. Conclusions and final recommendations. Include an evaluation of the technical effectiveness, environmental effects and economic feasibility of the methods and techniques demonstrated.
8. An appendix that includes additional references and supporting documents appropriate to the final report.
9. Financial information as requested on forms provided by the Department.



Grants At-A-Glance

"Shredder Fluff Recycling Project" Miller Compressing Company, Milwaukee, Wisconsin

Date Completed: June 1, 1996

Total Grant Amount: \$150,000

Contact: Jeff Miller, Vice President Head of Operations (414) 671-5980

Project Objectives:

To design, construct, and operate an eddy current system for the recovery of aluminum and iron which previously had been landfilled with shredder fluff.

Background/Challenges:

Miller Compressing Company operates a 6,000 HP Shredder which grinds scrap iron for use in steel mills and foundries. Each year Miller Compressing Company generates approximately 50,000 tons of shredder fluff, a waste product from the shredding of scrap automobiles and mixed white goods. Previously, the company landfilled the shredder fluff without further processing. In early 1994, tests of the shredder fluff indicated a significant amount of aluminum and iron were present. Using its own patented eddy current design, Miller Compressing Company undertook the challenge to develop an eddy current system that could process high volumes of shredder fluff and still recover the metals efficiently.

Results/ Knowledge Gained:

The 4000 Fluff System, a two-stage trommel four-stage eddy current design was completed in May of 1995 and has run consistently and safely since its completion date. During the test period 6/1/95 to 6/1/96 the system diverted 1,304,360 pounds of salable aluminum and 3,144 tons of iron from Wisconsin landfills. As a result, Miller Compressing Co. was able to decrease its landfill costs 7.24% while increasing revenue from the sale of the aluminum and iron.

Shared Knowledge:

Miller Compressing Company believes its eddy current system design is applicable to many different waste processing situations. While marketing the eddy current design to other companies in the scrap industry, Miller Compressing has shared the successful results of its own experiment. Miller Compressing rented a booth at the Institute of Scrap Recycling Industries convention to promote its eddy current success.

Summary:

Miller Compressing Company's 4000 Fluff System has proven extremely adept at processing low grade metals. The Company has been able to gain a significant return on investment despite the fact that the aluminum that it recovers with its eddy current system is only 1.2% of the fluff weight, and the iron only 6.0%.

Finally, only trace amounts of metals are left in the fluff. As a result, the shredder fluff waste is a homogeneous product which creates further recycling opportunities. Miller Compressing Company is eager to improve on its success with the eddy currents and explore new cost-effective recycling markets.

SAMPLE OF AN AUTHORIZING RESOLUTION

The following sample resolution is a model for the authorizing resolution required of all governmental bodies. The resolution will authorize the representative to file the grant application for the applicant. The representative must be an official or employee of the applicant.

RESOLUTION

WHEREAS, _____ hereby requests financial assistance under _____ (governmental body)

s. 287.25, Wis. Stats., Chapter NR 548, Wis. Admin. Code, for the purpose of implementing an innovative waste reduction and recycling activity.

THEREFORE, BE IT RESOLVED, that _____ HEREBY AUTHORIZES _____ (governmental body)

_____, an official or employee of the governmental body, to act _____ (authorized representative)

on its behalf to: Submit an application to the Department of Natural Resources for financial assistance under s. 287.25, Wis. Stats., Chapter NR 548, Wis. Admin. Code;

Sign necessary documents; and

Submit interim and final reports.

Adopted this _____ day of _____, 20_____

Name

Title

Name

Title

Name

Title

I hereby certify that the foregoing resolution was duly adopted by _____

at a legal meeting on the _____ day of _____, 20_____.

Name

Title